

	<b>Commodities</b>	<b>Inflation-Linked Bonds (ILB)</b>	<b>Infrastructure</b>	<b>Forestland</b>
<b>Investment Policies</b>	Approved	Approved	Approved	Approved. Moving agricultural land to the Forestland Policy is on hold pending further review.
<b>Staffing and Organization</b>	Existing Commodities PM position - transferred from Global Fixed Income (GFI) in March 2008.	GFI Unit continues to staff this investment area; agreement between SIO's GFI and Asset Allocation completed in January 2008.	Randall Mullan, SPM - Infrastructure assumed his duties on November 20, 2008. Recruitment for PM is in process.	
<b>Delegations</b>	Approved by Board 2/21/08.	Approved by Board 2/21/08.	To be submitted in 2009	
<b>Incentive Plan</b>	Approved	Approved	To be submitted to the Compensation Committee in February 2009.	In process.
<b>Investment Implementation</b>	Commodities portfolio was valued at \$586 million as of December 31, 2008. The commodities index has declined sharply since the high in July 2008.	ILB portfolio has \$1.35 billion in U.S. and non-U.S. inflation-linked bonds as of December 31, 2008.	Staff will present an Investment Plan for Infrastructure in March 2009. Staff has developed an extensive deal log of fund offerings and will be prepared to consider commitments subject to due diligence and having consultants in place.	The Forestland exposure is \$2.4 billion of the total fund as of December 31, 2008.  Global Forest Partners (GFP) made a strategic acquisition for \$69.6 million to expand the Brazilian holdings in January 2009. Preliminary valuations indicate the Forestland portfolio increased in value by 4% in 2008 despite a 26% decline in the Australian holdings due to currency effects. This was offset by an increase in value of the Guatemalan holdings since more acreage is in production.
<b>Total ILAC Investments</b>	Valued at \$3.6 billion as of December 31, 2008 or 2.0% of total fund. The interim target is 2.0% of total fund by December 31, 2008. Total exposure is approximately \$4.4 billion including the new Forestland asset.			
<b>Consultant Pool</b>	Staff completed an RFP process and selected consultants for the ILAC Spring-Fed Pool as reported to the Committee in December 2008.			